

Testimony of Industrial Energy Consumer Group
In Opposition to
LD 1979, *An Act To Sustain Good-paying Jobs in the Forest Products Industry by Ensuring Consistency between Comprehensive River Resource Management Plans and State Water Quality Standards*
Before the Joint Standing Committee on Environment and Natural Resources
February 28, 2022

Senator Brenner, Representative Tucker, members of the Joint Standing Committee on Environment and Natural Resources; I am Steven Hudson, an attorney with the law firm of Preti Flaherty, here today to provide testimony on behalf of Industrial Energy Consumer Group (IECG) in support of LD 1979, *An Act To Sustain Good-paying Jobs in the Forest Products Industry by Ensuring Consistency between Comprehensive River Resource Management Plans and State Water Quality Standards*. As members of this committee may know, IECG is an association of large energy consumers in Maine that advocates at the state, regional and federal level for rapid and efficient climate mitigation while assuring reliability and low costs for all consumers.

As Maine continues to work towards a carbon-free and vibrant economy it is important that we avoid policy mistakes, fix such mistakes promptly whenever they occur and prioritize the most cost-effective climate mitigation strategies first. There is so much to do in this area that we cannot afford, either in time or in dollars, to make climate mistakes. This is the fundamental concept behind IECG's climate initiative Get Maine Climate Right. Committee members and members of the public can view our principles and other climate resources at www.getmaineclimateright.com.

An application of these principles is to preserve the low- and zero-carbon energy resources we have now, as long as they are cost-effective and continue to displace fossil fuel resources. That principle is one reason IECG supports LD 1979. Maine's remaining hydropower resources are typically both very cost-effective and mature enough in their life cycles to be clearly zero carbon, even using the most expansive life cycle analysis. IECG supports hydropower generally, but especially now while our regional electric grid is still dependent on fossil fuels, and unfortunately oil combustion can still represent as much as 20% of our grid-supplied electricity.

As we understand the history behind LD 1979, it is a response to efforts to remove multiple dams along the Kennebec River over the last year or so. Such an effort is a serious

energy policy mistake that Maine cannot afford to make now, as we need every low- or zero-carbon resource now to deliver reduced emissions now while we all work on further reductions that will likely take years if not decades to accomplish. Eliminating the Kennebec dams will result in at least 250,000,000 pounds of additional carbon emitted annually. The most valuable carbon reductions are those that we lock in place today.

However, as noted by LD 1979's proponents, the recent effort to remove Maine hydropower resources is also a serious economic development mistake. Maine's hydropower resources are typically associated with rural manufacturing facilities that are important local and regional economic players. In areas where such facilities remain, they provide good, typically union, jobs and extensive supply chain and indirect economic benefits. These facilities are largely powered by hydropower or renewable biomass energy, contributing to the significant decarbonization of Maine's industrial sector as reported by the Maine DEP. In several areas where traditional industry no longer exists, Maine is seeing increased interest in industrial redevelopment, in part due to good access to Maine's renewable forest economy and renewable energy. Ensuring that such important economic resources are considered in the development of watershed management plans is an important reason for the enactment of LD 1979.

Finally, the loss of 250,000,000 kWh of inexpensive hydro power will be replaced by oil and natural gas generation that will be more than two and as much as four times more expensive. Increasing Maine's energy costs by increasing use of more expensive and more polluting energy resources is compounding the energy and economic mistakes that the current system has sought to impose.

The recent experience on the Kennebec River demonstrates that Maine's current watershed management policies are clearly in need of repair. These policies are not working for Maine's climate and economic recovery goals. LD 1979 will provide processes for ensuring that watershed management plans in Maine properly reflect Maine's goals, now and in the future. IECG urges this committee to vote Ought To Pass on L.D. 1979.

Thank you for the opportunity to provide testimony on this bill. I would be happy to answer any questions now or at the work session.